

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

0 1 — 0 5

2. STATE:

Maryland

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID) Medicaid

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 1, 2001

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

See Attached

7. FEDERAL BUDGET IMPACT:

a. FFY 2001 \$ 0.00

b. FFY 2002 \$ 0.00

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

/ Attachment 4.19 A&B

Page 53-A

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19 A&B

Page 53-A

10. SUBJECT OF AMENDMENT:

This amendment is needed in order to indicate the State will comply with the Benefits
Improvement and Protection Act (BIPA) of 2000 requirements for reimbursement to FQHCs.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Joseph M. Millstone, Executive Direct
Office of Health Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Georges C. Benjamin

13. TYPED NAME:

Georges C. Benjamin, M.D.

14. TITLE:

Secretary

15. DATE SUBMITTED:

March 29, 2001

16. RETURN TO:

Joseph Millstone, Executive Director
Office of Health Services
Room 127
201 West Preston Street
Baltimore, Maryland 21201

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

4-02-01

18. DATE APPROVED:

SEP 06 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JAN 01 2001

20. SIGNATURE OF REGIONAL OFFICIAL:

Donald J. Miller

21. TYPED NAME:

Clairette V. Campbell

22. TITLE:

Associate Regional Administrator
Division of Medicaid & State Operations

23. REMARKS:



DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Region III

SEP 06 2001

Suite 216, The Public Ledger Building
150 S. Independence Mall West
Philadelphia, PA 19106-3499

Mrs. Susan Tucker
Executive Director
HealthChoice and Acute Care Administration
Department of Health and Mental Hygiene
201 West Preston Street
Baltimore, Maryland 21201

Dear Mrs. Tucker:

Enclosed is a copy of the approved state plan material, Transmittal Number 01-05, that changes the State's payment methodology for reimbursement of Federally Qualified Health Center services to comply with the Benefits Improvement and Protection Act (BIPA) of 2000.

If there are any questions about the above, please contact James Hake at (215) 861-4196.

Sincerely,

for Claudette V. Campbell
Associate Regional Administrator
Division of Medicaid and State Operations

Enclosure

18. For services rendered from July 1, 1999 through June 30, 2000, the reimbursement rate shall be the interim rate that was in effect on June 30, 1999 calculated in accordance with the reimbursement methodology described in Attachment 4.19 A&B, pages 52 & 53, 1 through 16.
19. For services rendered from July 1, 2000 through December 31, 2000, the reimbursement rate shall be the rate in effect on June 30, 2000 increased by the change in the Medicare Economic Index for calendar year 1999.
20. For services rendered after January 1, 2001, the payment method for federally qualified health centers will conform to section 702 of BIPA.
Cost based per visit rates will be calculated for each federally qualified health center in accordance with the reimbursement methodology described in Attachment 4.19 A&B, pages 52 & 53, 1 through 16. A per visit rate will be calculated for each FQHC's fiscal years 1999, 2000 and, if necessary, 1998 and 2001. A baseline per visit rate will be determined using an average of the fiscal year rates weighted in accordance with their applicability to the period October 1, 1998 through December 31, 2000. Also, any change in the scope of services for 2001 reported by a FQHC will be included in the calculation of the baseline per visit rate. This baseline per visit rate will be implemented effective January 1, 2001. Annually, the baseline rate will be adjusted by the Medicare Economic Index and adjustments will be made for any change in scope of services. Reasonable allowable costs relating to covered Maryland Medical Assistance services are included in the federally qualified health center's reimbursement methodology and will continue to be used in the calculation of the baseline rate.

TN No. 01-05
Supersedes
TN No. 01-02

Approval Date: SEP 06 2001
Effective Date: JAN 01 2001

21. FQHCs that have contracts with MCOs will receive their full reasonable cost per visit in two parts. First, the MCO will pay the FQHC with which it contracts a flat rate predetermined by the Department for each visit. Secondly, for each visit the Department will provide a supplemental payment to each FQHC for the difference between the MCO reimbursed rate and each FQHC's baseline per visit rate. Each MCO will transmit its FQHC encounters to the Department. Monthly, FQHC visits will be totaled and the Department will issue a check to each FQHC, based on the number of visits multiplied by the FQHC's supplemental payment rate.
22. The payment methodology will conform to the BIPA 2000 requirements for the Prospective Payment System.
23. Until rates are established in accordance #20 and implemented retroactively to January 1, 2001, a center will be reimbursed either the rate established under #19 or its most recent cost settled rate calculated in accordance with the reimbursement methodology described in Attachment 4.19 A&B, pages 52 & 53, 1 through 16.
24. An FQHC established after December 31, 2000 shall be assigned a rate for the first two years of operation that is the average of current FQHC urban or rural rates. After the FQHC's first two fiscal years have been completed, the Department or its designee will calculate a final rate for each period in accordance with Attachment 4.19 A&B, page 53, 14 through 17. A baseline per visit rate will be determined using an average of these two final rates. This baseline rate will be appropriately indexed to the current rate period.

TN No. 01-05
Supersedes
TN No. NEW

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